

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION
COMMISSION



Director of Utilities

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

P

W-0717A WATER
PONDEROSA UTILITY CORPORATION
5011 E. CORTEZ STREET
SCOTTSDALE AZ 85754

ANNUAL REPORT

*Entered
4-10-02
cm*

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2001 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
| ANN04 | 01 |
|-------|----|

COMPANY INFORMATION

| | | | |
|--------------------------------------------------------------------------|-----------------------------|------------------------------------|--|
| Company Name (Business Name) <u>PONDEROSA UTILITY CORPORATION</u> | | | |
| Mailing Address <u>5011 EAST CORTEZ STREET</u> | | | |
| (Street) | | | |
| <u>SCOTTSDALE</u> | <u>AZ</u> | <u>86001</u> | |
| (City) | (State) | (Zip) | |
| <u>(602)494-1482</u> | | <u>(928)525-1818</u> | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |
| Local Office Mailing Address _____ | | | |
| (Street) | | | |
| (City) (State) (Zip) | | | |
| Local Office Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |

MANAGEMENT INFORMATION

| | | | | |
|----------------------------------------------|-----------------------------|-----------|------------------------------------|------------------|
| Management Contact: <u>WALT BROWN</u> | | | | <u>PRESIDENT</u> |
| (Name) | | | | (Title) |
| <u>5011 E. CORTEZ STREET</u> | <u>SCOTTSDALE</u> | <u>AZ</u> | <u>86001</u> | |
| (Street) | (City) | (State) | (Zip) | |
| <u>(602)494-1482</u> | <u>(928)525-6210</u> | | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | | |
| On Site Manager: <u>WALT BROWN</u> | | | | |
| (Name) | | | | |
| <u>3A W. OSAGE ST.</u> | <u>FLAGSTAFF</u> | <u>AZ</u> | <u>86001</u> | |
| (Street) | (City) | (State) | (Zip) | |
| <u>(928)525-6210</u> | <u>(928)525-6210</u> | | <u>(928)853-1373</u> | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | | |

Statutory Agent: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co op (A)

Receivership (R)

Limited Liability Company

Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

STATEWIDE

| |
|-------------------------------------------------------------|
| COMPANY NAME PONDEROSA UTILITY CORPORATION |
|-------------------------------------------------------------|

UTILITY PLANT IN SERVICE AS OF 01/31/02

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|------------------|----------------------------------------|---------------------------|--------------------------------------|------------------------------|
| 301 | Organization | 1,443 | | 1,443 |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 1,361 | | 1,361 |
| 304 | Structures and Improvements | 107,932 | 58,453 | 49,479 |
| 307 | Wells and Springs | 173,114 | 54,112 | 119,002 |
| 311 | Pumping Equipment | 46,166 | 30,920 | 15,246 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 71,548 | 52,364 | 19,184 |
| 331 | Transmission and Distribution Mains | 184,607 | 161,040 | 23,567 |
| 333 | Services | 33,404 | 29,385 | 4,019 |
| 334 | Meters and Meter Installations | 47,499 | 36,170 | 11,329 |
| 335 | Hydrants | 5,609 | 4,634 | 975 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 121 | 27 | 94 |
| 340 | Office Furniture and Equipment | 16,645 | 10,516 | 6,129 |
| 341 | Transportation Equipment | 77,517 | 21,032 | 56,485 |
| 343 | Tools, Shop and Garage Equipment | 23,867 | 12,363 | 11,504 |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | 863 | 364 | 499 |
| 346 | Communication Equipment | 706 | 422 | 284 |
| 347 | Miscellaneous Equipment | 1,471 | 454 | 1,017 |
| 348 | Other Tangible Plant | 1,348 | 759 | 589 |
| | TOTALS | 795,221 | 473,015 | 322,206 |

This amount goes on the Balance Sheet Acct. No. 108

| |
|-------------------------------------------------------------|
| COMPANY NAME PONDEROSA UTILITY CORPORATION |
|-------------------------------------------------------------|

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

AS OF 01/31/02

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|------------------|----------------------------------------|--------------------------|------------------------------------|-----------------------------------|
| 301 | Organization | 1,443 | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 1,361 | | |
| 304 | Structures and Improvements | 107,932 | 5% | 5,396 |
| 307 | Wells and Springs | 173,114 | 5% | 8,656 |
| 311 | Pumping Equipment | 46,166 | 5% | 2,308 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 71,548 | 5% | 3,577 |
| 331 | Transmission and Distribution Mains | 184,607 | 5% | 9,230 |
| 333 | Services | 33,404 | 5% | 1,670 |
| 334 | Meters and Meter Installations | 47,499 | 5% | 2,336 |
| 335 | Hydrants | 5,609 | 5% | 280 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 121 | 5% | 6 |
| 340 | Office Furniture and Equipment | 16,645 | 5% | 832 |
| 341 | Transportation Equipment | 77,517 | 5% | 3,876 |
| 343 | Tools, Shop and Garage Equipment | 23,867 | 5% | 1,168 |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | 863 | 5% | 43 |
| 346 | Communication Equipment | 706 | 5% | 35 |
| 347 | Miscellaneous Equipment | 1,471 | 5% | 74 |
| 348 | Other Tangible Plant | 1,348 | 5% | 67 |
| | SUBTOTALS | 795,221 | | 39,556 |
| | CIAC Amortization | | | 4,780 |
| | TOTALS | | | 34,776 |

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

ULLMANN
& COMPANY P.C.
Certified Public Accountants

To the Board of Directors of
Ponderosa Utility Corporation
Scottsdale, Arizona

We have compiled the balance sheet of Ponderosa Utility Corporation (a corporation) as of January 31, 2002 and 2001, and the comparative statement of income and expenses for the year then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Ullmann & Company

ULLMANN & COMPANY, P.C.
Certified Public Accountants

March 19, 2002

| |
|-------------------------------------------------------------|
| COMPANY NAME PONDEROSA UTILITY CORPORATION |
|-------------------------------------------------------------|

BALANCE SHEET

| Acct. No. | ASSETS | 1/31/01 | 1/31/02 |
|--------------|---------------------------------------------|------------------------------------|------------------------------|
| | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 23,625 | \$ 7,170 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | 30,063 |
| 141 | Customer Accounts Receivable | 19,307 | 18,540 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | 1,850 | 1,850 |
| 162 | Prepayments | | 2,780 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 44,782 | \$ 60,403 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 792,625 | \$ 795,221 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation - Utility Plant | 433,459 | 473,015 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation - Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 359,166 | \$ 322,206 |
| | TOTAL ASSETS | \$ 403,948 | \$ 382,609 |

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page

| |
|--------------------------------------|
| COMPANY NAME |
| PONDEROSA UTILITY CORPORATION |

BALANCE SHEET (CONTINUED)

| Acct. No. | LIABILITIES | 1/31/01 | 1/31/02 |
|--------------|---------------------------------------------------|---------------------------------------------|---------------------------------------|
| | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | | |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | 11,467 | 11,602 |
| 236 | Accrued Taxes | 13,136 | 6,515 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | \$ 24,603 | \$ 18,117 |
| | | | |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 120,087 | \$ 93,930 |
| | | | |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | | |
| 252 | Advances in Aid of Construction | 13,172 | 17,024 |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | 95,595 | 95,595 |
| 272 | Less: Amortization of Contributions | 38,579 | 43,359 |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ 70,188 | \$ 69,260 |
| | | | |
| | TOTAL LIABILITIES | \$ 214,878 | \$ 181,307 |
| | | | |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 52,541 | \$ 52,541 |
| 211 | Paid in Capital in Excess of Par Value | 29,091 | 29,091 |
| 215 | Retained Earnings | 107,438 | 119,670 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ 189,070 | \$ 201,302 |
| | | | |
| | TOTAL LIABILITIES AND CAPITAL | \$ 403,948 | \$ 382,609 |

COMPANY NAME**PONDEROSA UTILITY CORPORATION****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| Acct. No. | OPERATING REVENUES | 1/31/01 | 1/31/02 |
|--------------|-------------------------------------------|-------------------|-------------------|
| | | PRIOR YEAR | CURRENT YEAR |
| 461 | Metered Water Revenue | \$ 200,607 | \$ 202,502 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | 7,723 | 6,015 |
| | TOTAL REVENUES | \$ 208,330 | \$ 208,517 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 68,263 | \$ 68,201 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | 16,374 | 24,148 |
| 618 | Chemicals | 2,553 | 2,108 |
| 620 | Repairs and Maintenance | 7,907 | 7,946 |
| 621 | Office Supplies and Expense | 7,854 | 6,314 |
| 630 | Outside Services | 4,664 | 5,574 |
| 635 | Water Testing | | |
| 641 | Rents | | |
| 650 | Transportation Expenses | 8,370 | 8,163 |
| 657 | Insurance - General Liability | 4,894 | 6,898 |
| 659 | Insurance - Health and Life | 0 | |
| 666 | Regulatory Commission Expense - Rate Case | | |
| 675 | Miscellaneous Expense | 6,064 | 5,168 |
| 403 | Depreciation Expense | 33,344 | 34,776 |
| 408 | Taxes Other Than Income | 5,466 | 5,451 |
| 408.11 | Property Taxes | 8,204 | 7,760 |
| 409 | Income Tax | 6,778 | 3,980 |
| | TOTAL OPERATING EXPENSES | \$ 180,735 | \$ 186,487 |
| | | | |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ - | \$ 64 |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | 9,397 | 9,862 |
| | TOTAL OTHER INCOME/EXP | \$ (9,397) | \$ (9,798) |
| | | | |
| | NET INCOME/(LOSS) | \$ 18,198 | \$ 12,232 |

COMPANY NAME PONDEROSA UTILITY CORPORATION

**SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt**

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued | 08/01/2000 | 01/31/1999 | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | VEHICLES | PLANT IMP. | | |
| Dollar Amount Issued | \$ 34,862 | \$115,295 | \$ | \$ |
| Amount Outstanding | \$ 3,711 | \$90,219 | \$ | \$ |
| Date of Maturity | 9/15/2004 | 03/01/2009 | | |
| Interest Rate | 6.9% | 8.9% | | |
| Current Year Interest | \$765 | \$8468 | \$ | \$ |
| Current Year Principle | \$17,174 | \$8,983 | \$ | \$ |

| | |
|----------------------------------------------|-----------|
| Meter Deposit Balance at Test Year End | \$ 17,024 |
| Meter Deposits Refunded During the Test Year | \$ 2,033 |

COMPANY NAME PONDEROSA UTILITY CORPORATION

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number | Pump Horsepower | Pump Yield (Gpm) | Casing Size (inches) | Meter Size (inches) |
|-----------------------|------------------------|-------------------------|-----------------------------|----------------------------|
| 55-806223 | 30 | 75 | 10 | 3 |
| 55-566882 | 40 | 120 | 8 | 3 |
| | | | | |

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|-----------------------|-----------------------------------------------------|
| | | |
| | | |

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 24,960

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 15 | 1 | 23 | |
| 10 | 4 | | |
| 5 | 4 | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 125,000 | 1 | 5,000 | 1 |
| 84,000 | 1 | 3,000 | 1 |
| 25,000 | 1 | 1,100 | 1 |
| 8,500 | 1 | | |
| 7,500 | 1 | | |
| 66,000 | 1 | | |
| 22,000 | 1 | | |

STATISTICAL INFORMATION

Total number of customers 495

Total number of gallons sold 23,528,400 gallons

INCOME TAXES

For this reporting period, provide the following:

| | |
|-------------------------------------------|---------------|
| Federal Taxable Income Reported | <u>17,723</u> |
| Estimated or Actual Federal Tax Liability | <u>2,658</u> |

| | |
|-----------------------------------------|---------------|
| State Taxable Income Reported | <u>19,045</u> |
| Estimated or Actual State Tax Liability | <u>1,322</u> |

Amount of Grossed-Up Contributions/Advances:

| | |
|-----------------------------------------|------------|
| Amount of Contributions/Advances | <u>N/A</u> |
| Amount of Gross-Up Tax Collected | <u>N/A</u> |
| Total Grossed-Up Contributions/Advances | <u>N/A</u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Walter C. Brown
SIGNATURE

April 3, 2002
DATE

WALTER C. BROWN
PRINTED NAME

Pres.
TITLE

COMPANY NAME PONDEROSA UTILITY CORPORATION YEAR ENDING 1/31/2002

| |
|-------------------------------------------|
| WATER AND SEWER UTILITIES ONLY |
|-------------------------------------------|

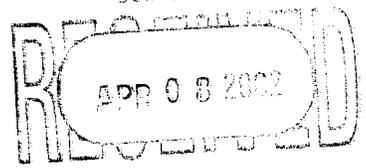
PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 7,982

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:



VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

VERIFICATION STATE OF ARIZONA I, THE UNDERSIGNED OF THE

Form with fields: COUNTY OF (COUNTY NAME) COCONINO, NAME (OWNER OR OFFICIAL) TITLE WALT BROWN, COMPANY NAME PONDEROSA UTILITY CORPORATION

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with columns: MONTH, DAY, YEAR. Values: 12, 31, 2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$) \$ 220,871

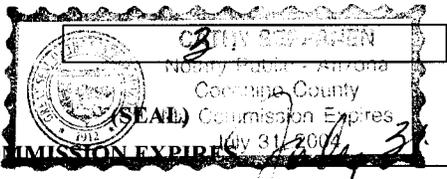
(THE AMOUNT IN BOX ABOVE INCLUDES \$ 12,354 IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

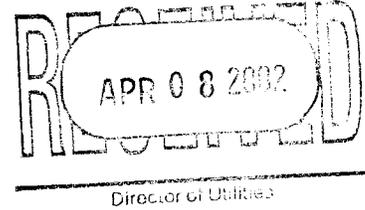
Signature of Walter A Brown, TELEPHONE NUMBER 928-525-6210

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY OF MY COMMISSION EXPIRES 31 2004



Form with fields: COUNTY NAME Coconino, MONTH April, YEAR 2002, Signature of Cathy Seppanen



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

| | | |
|--------------------------|-------------------------------|-------|
| (COUNTY NAME) | COCONINO | |
| NAME (OWNER OR OFFICIAL) | WALT BROWN | TITLE |
| COMPANY NAME | PONDEROSA UTILITY CORPORATION | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2001 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

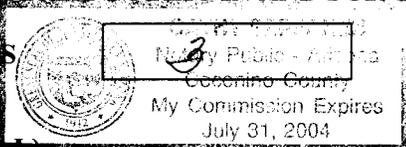
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

| |
|---------------------------------------------|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES |
| \$ <u>220,871</u> |

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 12,354
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Walter C Brown
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 3 DAY OF
(SEAL) 
MY COMMISSION EXPIRES July 31, 2004

| | | |
|--------------------|---------------------|-------------|
| NOTARY PUBLIC NAME | <i>Cathy Semper</i> | |
| COUNTY NAME | <i>Coconino</i> | |
| MONTH | <i>April</i> | <i>2002</i> |

X *Cathy Semper*
SIGNATURE OF NOTARY PUBLIC

2001 TAX NOTICE

2001 3 2001

COUNTY OF COCONINO

ARIZONA

ADDRESS: 110 E CHERRY AVE.
FLAGSTAFF AZ 86001

| GAL DESCRIPTION | SECTION | TOTAL VALUE OF OPERATING |
|-----------------|---------|--------------------------|
| 15-06-002-B | | 30,710 |
| 15-11-107 | | 34,892 |
| 16-65-021-A | | 500 |

| TWN | RNG | ACRES | 2.79 | USE | 5500 |
|--------------|-----|-------|------|-----|------|
| PROPERTY | | | | | |
| 115-08-015 | | 8,250 | | | |
| 116-65-020-A | | 500 | | | |

| |
|---------------------------------------|
| TAX ROLL NUMBER 65420 |
| PARCEL IDENTIFICATION 920-90-106 3 |
| TAX AREA CODE 0106 |

*1st 1/2 ck # 2914
Bring out 2nd 1/2
April 15, 2002*

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF YOUR 2001 TAX NOTICE AND PAYMENT INSTRUCTIONS.

920-90-106 3 65420

PONDEROSA UTILITY CORP
W C BROWN/PRESIDENT
5011 E CORTEZ DR
SCOTTSDALE AZ

85254-4634

*1st 1/2
2001*



| 2001 TAX SUMMARY (3) | |
|-----------------------------|-------|
| PRIMARY AD VALOREM TAX | 47128 |
| LESS STATE AID TO EDUCATION | 0 |
| NET PRIMARY AD VALOREM TAX | 47128 |
| SECONDARY AD VALOREM TAX | 30459 |
| SPECIAL DISTRICT TAX | 0 |

PAY TOTAL OR HALF TAX

| | |
|---------------|-------|
| TOTAL TAX DUE | 77587 |
| HALF TAX | 38793 |

DELINQUENT DATES
1st HALF NOV 1, 2001
2nd HALF MAY 1, 2002

THIS IS THE ONLY NOTICE YOU WILL RECEIVE NO RECEIPT WILL BE SENT UNLESS REQUESTED

| PRIMARY PROPERTY TAX CALCULATION (1) | | | | | | |
|--------------------------------------|---------------|----------|----------------|-----------|----------|----------------|
| ITEM | LIMITED VALUE | ASSMT. % | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
| LAND, BLDGS, ETC | 103722 | 250 | 25931 | | 0.63005 | 163378 |
| PERSONAL PROPERTY | 195478 | 250 | 48870 | | 0.63005 | 307906 |
| TOTALS | 299200 | | 74801 | | | 471284 |

| SECONDARY PROPERTY TAX CALCULATION (2) | | | | | | |
|----------------------------------------|-----------------|----------|----------------|-----------|----------|----------------|
| ITEM | FULL CASH VALUE | ASSMT. % | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
| LAND | 74852 | 250 | 18713 | | 0.41317 | 77317 |
| BLDGS, ETC. | 28870 | 250 | 7218 | | 0.41317 | 29823 |
| PERSONAL PROPERTY | 195478 | 250 | 48870 | | 0.40404 | 197454 |
| TOTALS | 299200 | | 74801 | | | 304594 |

| 2000-2001 TAX COMPARISON (4) | | | | | | |
|------------------------------|---------------------------------|--------------|----------------|------------|------------|------------|
| TAX CODE | TAX JURISDICTION | 2001 PRIMARY | 2001 SECONDARY | 2001 TOTAL | 2000 TOTAL | DIFFERENCE |
| 02000 | COCONINO COUNTY | 25679 | 00 | 25679 | 27018 | -133 |
| 02001 | SCHOOL EQUALIZATION | 37206 | 00 | 37206 | 40318 | -311 |
| 07001 | FLAGSTAFF SD #1 | 378404 | 120827 | 499231 | 526383 | -2715 |
| 08150 | COUNTY COMMUNITY COLLEGE DISTRI | 29995 | 12768 | 42763 | 45048 | -228 |
| 11240 | HIGHLANDS FIRE DISTRICT | 00 | 149602 | 149602 | 157400 | -779 |
| 11900 | FIRE DISTRICT ASSISTANCE FUND | 00 | 4825 | 4825 | 6934 | -210 |
| 14900 | COCONINO CO LIBRARY DIS #77-58 | 00 | 14205 | 14205 | 14946 | -74 |
| 15000 | COCONINO COUNTY FCD #84-41 | 00 | 2367 | 2367 | 2349 | 1 |
| | TOTALS | 471284 | 304594 | 775878 | 820396 | -4457 |

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

BONNY K. KRASKE
COCONINO CO. TREAS.
110 E CHERRY AVE.
FLAGSTAFF AZ 86001

| |
|---------------------------------------|
| TAX ROLL NUMBER 65420 |
| PARCEL IDENTIFICATION 920-90-106 3 |
| TAX AREA CODE 0106 |

PONDEROSA UTILITY CORP
5011 E CORTEZ DR
SCOTTSDALE AZ 85254

RECEIPT REQUESTED ()

IF TOTAL TAX DUE IS \$10000 OR LESS FULL AMOUNT IS DUE NOW.
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2001 2ND-HALF COUPON

| | | |
|-----------------|-----|----------|
| TO PAY 2ND HALF | PAY | 3,879.39 |
|-----------------|-----|----------|

NOTE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2002



0392090106003200100000387939

ACTION: I PARCEL NUMBER: 92090106
NAME: PONDEROSA UTILITY CORP
STATUS: NORMAL STATUS
INFO-1:

INT. CALC. THRU END OF: 04/2002

INFO-2:
INFO-3:

| YEAR | ROLL # | TAX DUE | INTEREST | PENALTY | TOTAL DUE |
|------|--------|----------|----------|---------|-----------|
| 2001 | 65420 | 3,879.39 | 0.00 | 0.00 | 3,879.39 |
| 2000 | 63024 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1999 | 61800 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1998 | 60912 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1997 | 59895 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1996 | 58359 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1995 | 57519 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1994 | 56660 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1993 | 58223 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1992 | 55527 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1991 | 55252 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1990 | 54948 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1989 | 54496 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1988 | 54132 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1987 | 52718 | 0.00 | 0.00 | 0.00 | 0.00 |

REDEMP. FEE:
0.00

TOTAL DUE:
3,879.39

1(003,029)

PAID

APR 10 2002

BONNY K. KRASKE
COCONINO COUNTY TREASURER

*2-1/2
2001*

*4-10-02 Pd
3879.39
CKK
3006*